



Senator Eide's Week in Review
April 11-15

In the Spotlight: Senate Releases Operating Budget PROPOSAL

On Tuesday, the Senate released its Operating Budget proposal ([Proposed Striking Amendment to ESHB 1087](#)). It is currently in the Senate Ways & Means committee where many amendments and changes are being debated. The challenge of writing the 2011-13 biennial budget is enormous, and the Senate has worked hard to write a sustainable budget. With no new federal funds and no new revenue sources, we are forced to reduce the state budget by over \$5 billion. The Senate's approach is to use the economic downturn as an opportunity to put our state on more sound fiscal footing by writing a budget that is within our means. Let me be clear--vital and valued services are being cut. Many of these are public services that I took office to protect—like public education, public safety and health care. But, we are faced with a stark reality and have few options to choose from. There are many cuts in both the Senate and House budget proposals that I do not support. Fortunately, these proposals are NOT finalized and many changes will be made before a cohesive budget is reached.

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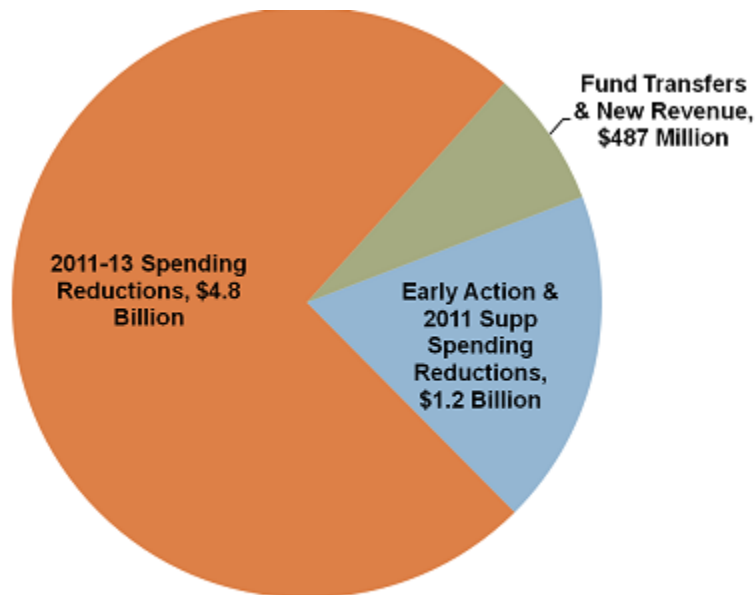
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Negotiations between the Senate and House versions of the budget are now underway. Currently, the Senate and House proposals differ by \$322 million. Though this only a small percentage of the state's \$32.3 billion total Operating Budget, the importance of negotiations over that piece cannot be understated. As these negotiations unfold, I will continue to work with my colleagues to pass a cohesive budget that is responsible, thoughtful, and sustainable in these hard economic times.

The Senate proposal outlined bellow is just the beginning of the budget negotiating process. THIS IS NOT, BY ANY MEANS, THE FINAL BUDGET.

Senate Operating Budget PROPOSAL:

- \$4.8 billion reductions
- \$455 million fund transfers
- \$738 million left in reserves



Total 3 Year Budget Solution = \$6.5 Billion

BUDGET RESOURCES

[Budget Calculator: Try your hand at balancing the state budget!](#)

[Budget Information](#)

[Citizen's Guide to the Budget](#)

[Legislative Guide to Washington State Property Taxes](#)

[Citizen's Guide to K-12 Finance](#)

Employee Compensation & Pension Reform:

Budget cuts reduce state employee salaries and pension contributions. The Senate proposes a 3% salary reduction for all state workers and K-12 and higher education employees. The Senate proposal saves an additional \$360.5 million by ending automatic cost of living increases for Plan 1 retirees.

K-12 Education:

This section of the budget is especially painful. Education is my top priority and the reason why I became a legislator. I have a personal stake in our schools, my two children are graduates of public schools and I remain active in the PTA. Two of my family members as well as my best friend are teachers. Our state is in the greatest financial crisis since the Great Depression and these are cuts I wouldn't choose to make under any other circumstance.

- Suspends Initiative 728 reducing classroom size
- Suspends the K-4 Class size reduction
- Reduces the National Board Bonus
- Reduces Alternative Learning Experience funding by 10% (House proposed 20%)
- Funds K-3 class size enhancement for high poverty schools

There are, however, two bright spots within the Senate's proposed budget. The first is the retention of levy equalization funds for financially struggling school districts. This provision is critical to the success of Federal Way School District. The second bright spot is the funding of K-3 class size enhancement for high poverty schools. Stripping this enhancement from these schools would have served to widen the achievement gap even more.

Higher Education:

- Reduces institutional funding by net \$5.1%
- Increases tuition by 16% for the UW, WSU and WWU, 14% for CWU and Evergreen, 11% for EWU, and 12% for Community & Technical Colleges
- Funds the State Need Grant
- Funds State Work Study program
- Eliminates the Higher Education Coordinating Board

Health Care:

- \$110.5 million cuts in hospital rates and related charges
- \$122 million reduction to Basic Health Plan (services provided for U.S. citizens only under Senate Plan)
- \$50.6 million in reduced Disability Lifeline payments
- \$98 million for reduced personal care hours for long term care and developmentally disabled clients

Natural Resources:

A “Discover Washington” pass is being proposed to pay for use of state parks and other state lands. [Senate Bill 5622](#) creates the \$30 annual Discover Pass and the \$10 State Recreational Land Day-Use Permit. These permit fees would allow state parks to continue to operate.

Continuing Budget Negotiations:

The 2011 Legislative Session is scheduled to conclude on April 24th. This is the last day allowed for regular session under the state constitution. Legislators have much to accomplish before this happens: including passage of three cohesive budgets (Capital, Operating, and Transportation) and all accompanying budget related bills. As budget negotiations continue, I will be sure to stay in constant communication to keep you updated on our progress.

Closing Tax Loopholes:

The budget described above is, most regrettably, necessary given our current economic climate. There is not enough to go around—plain and simple. However, while these limitations have produced a budget that may be necessary, it is simply not sufficient to meet the needs of Washington families and communities.

I believe there is a fairer way to meet our budget challenges.

Throughout session, the public has become more aware of the multitude of tax exemptions built into our state tax code.

And the public is becoming aware of the fact that tax exemptions have the same effect on the budgeting of state revenues as expenditures for education, physical and mental health care and criminal justice.

Yesterday, several lawmakers and myself stood up and asked the question of whether these tax exemptions serve a greater benefit during times of an underperforming economy, when available revenues are inadequate to fund the state's basic commitments to educate, care for the vulnerable and protect the health and safety of the public?

I do not believe that tax exemptions should be privileged under the law or subject to a greater threshold required to modify or end them than other expenditures. If we can close schools with a simple majority vote, then we should be able to close tax loopholes as well.

We are in truly unprecedented times and we owe it to our communities and state to provide a thoughtful budget scrutinizing every dollar we spend, be it on health care or special tax loopholes.

That is why I am sponsoring [SB 5947](#) which closes several tax loopholes, some of which have been on the books for over half a century. For more than a decade, the state has provided tax exemptions for:

- Chicken bedding
- Propane and natural gas to heat chicken barns
- The artificial insemination of livestock (which was first enacted well over 50 years ago)

I know I am not alone in thinking that when it comes to priorities: health, welfare and the education of our children far outweigh that of our chickens. Ending these tax exemptions could expand Apple Health to over 15,000 more children, help fund programs and services for seniors, and help fund education for our children. The list goes on and on. We are cutting our budget to the bone and need to give some serious thought to whom and what we're awarding these special tax exemptions. It's time to do away with the **Chicken Housing Trust Fund**. Chickens have feathers, children don't have blankets.

This bill, and others like it, are offered as alternatives to the budget. This is the beginning of a longer, ongoing conversation about priorities within spending—one which likely will not be concluded this session. So while we may end up voting in favor of the budget, it is my hope that we also vote in favor of this and other similar tax exemption bills that mitigate painful fiscal reductions as much as possible.

Precious Metals Bill:

I am delighted to announce HB 1716, sponsored by Representative Asay, passed out of the House and Senate and is now being sent to the Governor for final approval. This legislation is designed to help crack down on increasing home burglaries and thefts of gold and other precious metals. The bill was drafted based on concerns from the City of Federal Way and the Federal Way Police.

Dumas Bay Area Clean-Up:

I am pleased to announce that [SB 5036](#) passed both the House and Senate and is now being sent to the Governor for final approval. I worked on this legislation to extend funding for the Department of Ecology account to manage and control excessive sea lettuce beyond the sunset date of June 30, 2012. This legislation is important for preventing over abundant growth of "sea lettuce" in the Dumas Bay area off of Federal Way. The sea lettuce can cause severe environmental damage to Puget Sound when explosive growth occurs. Decomposition of the vegetative mass lets off hydrogen sulfide gas that can cause headaches, dizziness, and nausea for hundreds of residents.

Early Learning and K-12 Education:

On Wednesday, the Senate Early Learning and K-12 Education Committee held a work session on [Microsoft's IT Academy](#). The IT Academy is a comprehensive program that helps support ongoing technology education for students, teachers, and faculty. The Superintendent of Public Instruction Randy Dorn, Microsoft Corporation, and school district representatives testified on the program's success. Included in both the House and Senate Operating Budget proposals is \$4 million for the Office of the Superintendent of Public Instruction (OSPI) to purchase the IT Academy program state-wide. If this funding remains in the budget, all high schools across the state would be able to offer IT Academy classes.

This Week's Visitors from the 30th District:

If you are ever in Olympia and are from the 30th District, please visit my office: Legislative Building 305. I would love to see you!

*Sue Shields, Jim McMurchie, Ron Stanton; Puget Sound Skills Center

*John-Paul Chaisson-Cardenas; Washington Can!

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